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February 5, 2005

Top Story

Phase II tobacco bill passes House

By KRISTIN TAYLOR
 Staff Writer

A bill that would give Kentucky farmers almost 92 percent of the money they were expecting for the second phase of a tobacco buyout unanimously passed the House Friday morning.

State Rep. Melvin Henley, R-Murray, said having the expected buyout stalled was making tobacco growers and quota holders anxious. The second round of payments are in jeopardy because of ongoing litigation involving tobacco manufacturers in a North Carolina court. "It's left a lot of farmers in the lurch because they thought they were getting money for their budget," Henley said in an interview Friday afternoon.

About 163,000 leaf growers and quota holders would get \$114 million of the \$124 million originally outlined in the 1999 settlement if the bill passes the Senate and the governor's signs it. The bill would authorize the transfer of phase one settlement funds to pay Phase II.

"The legislation that created the agreement had in it that up to \$114 million could be transferred from phase one to phase two, but we didn't want a lawsuit to challenge that," Henley said. "It has emergency bill status so as soon as the governor signs it the state can issue money.

"It was unanimous in the House and I feel it will pass the Senate without problems."

The buyouts would be paid from the agricultural development fund, not the state's general fund, and with proceeds from state bonds, Henley said. The transfer of funds would still leave \$5 million for agricultural diversification.

Sen. Ken Winters, R-Murray, said things are moving along in this chamber. The education committee he chairs heard testimony for bills, including Senate Bill 19, which supports the state's Read to Achieve initiative.

The bill would require every elementary school to provide a comprehensive schoolwide reading program, diagnostic reading assessments and intervention services for students who don't read at a proficient level, and ensure quality instruction by highly trained teachers.

For the complete story, see Saturday's *Ledger & Times*.

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